

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P. O. BOX 942850
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DATE: November 15, 2006

PERSONNEL LETTER #06-018
CIVIL SERVICE ONLY

TO: All Agencies in the Uniform State Personnel System

FROM: DON SCHEPPMANN, Chief
Personnel/Payroll Services Division

RE: **JULY 1, 2006 GENERAL SALARY INCREASE FOR CIVIL SERVICE BARGAINING UNIT 8**

Pursuant to the memorandum of understanding, the Department of Personnel Administration (DPA) has approved a general salary increase (GSI) for specified rank and file bargaining unit 8 classes. All salary increases are effective July 1, 2006. Refer to DPA Pay Letter 06-45 for further information

The GSI will be processed via an employment history (EH) data base mass update and manually for those that could not be included in the mass update (see below). Also, adjustment payments will be made for the 07/2006, 08/2006, 09/2006 and 10/2006 pay periods. See below for additional information on the adjustment payments.

1. EH UPDATE PROCESS

An EH mass update will be processed on the night of November 16, 2006 (Thursday) to post the 07/01/06 effective date GEN transaction for the employees in the specified rank and file classes. The GEN transaction will reflect the GSI within the employee's base salary rate. In addition, out-of-sequence transactions will be included in the mass update process.

PPSD will manually update the EH records rejected from the mass update. These employees will be processed on a flow basis. Also, PPSD will notify departments of situations requiring department action.

A turnaround (TAD) PAR will issue from the update. The TAD PARS will be released on a flow basis.

2. SPECIAL DOCUMENTATION/PROCESSING INSTRUCTIONS

Once an employee's EH record is updated, the 07/01/06 effective date GEN transaction could create an out-of-sequence condition. If allowed, salary rate must be entered on any new out-of-sequence transaction. If not entered, the salary rate per the 07/01/06 effective date GEN transaction will be reflected on the new transaction and could create an overpayment situation. See PAM Section 9 for further processing instructions.

If correcting a 07/01/06 effective date transaction that was posted before the 07/01/06 effective date GEN transaction, key enter the GSI Code O (alpha O in the GSI field on the PAR1 update screen)

on the correct transaction to denote old salary rate. Also, per DPA, an MSA transaction shall be applied before a salary rate change. Thus, the 07/01/06 effective date MSA transaction must be posted on an employee's EH record before the 07/01/06 effective date GEN transaction. Key enter the GSI Code O on the MSA transaction to denote old salary rate. Failure to enter the GSI Code O could result in an incorrect base salary rate and/or anniversary date (i.e., overpayment).

3. PAYROLL ADJUSTMENTS

Adjustments for regular pay and overtime payments (i.e., non-FLSA overtime pay) will be automatically made after the employee's EH record are updated for the salary change. For the employees updated via the above EH mass update, the adjustments will be made in the November 17, 2006 payroll cycle (issue date 11/20/06). For employees updated manually, the adjustments will issue in the payroll cycle following the date the EH record is updated.

PPSD will issue adjustments for planned overtime system generated rate payments (payment type S, payment suffix H). The adjustment payments will be issued during December 2006.

Departments will need to request GSI adjustments to FLSA overtime pay (payment type 1, payment suffix F) via the PIP system. See PPM sections G020-024 and K for further information. Likewise, departments will need to submit Form STD. 674/674D to request adjustments for the following payments that will issue for the 07/2006, 08/2006, 09/2006 and 10/2006 pay periods.

- Regular pay with dock applied for employees with a mid-monthly change.
- Regular pay for employees on an alternative work schedule or working a shift and time paid does not equal time possible for the pay period.
- Industrial Disability (IDL).
- Temporary Disability (TD).
- Non-industrial Disability Leave (NDI) if benefits began after the 06/2006 pay period.
- NDI Annual Leave Supplementation.
- Out-of-Class pay.
- Supplemental pay differential pay if the pay is based on a percentage of the employee's based on salary rate and the employee is receiving a GSI.
- Planned overtime, user-entered rate (payment type S, payment suffix G).

4. RETROACTIVITY CHARGES

The transactions as result of the July 1, 2006 salary change are considered to be non-controllable personnel and payroll transactions. The EH transactions and payroll adjustments resulting from the EH mass update or initiated by PPCSD should not be reflected on the Monthly Retroactivity Report.

The EH transactions and payroll transaction that are key entered by the departments will appear on the department's report. The departments can return the report identifying the items associated with the July 1, 2006 salary change along with the appropriate explanation.

5. TELEPHONE CONTACTS

Questions regarding the salary changes and EH/payroll processing information can be directed as follows:

<u>AREA</u>	<u>CONTACT</u>	<u>TELEPHONE NUMBER</u>
Salary Program	DPA	(916) 324-9381
EH Procedures	Personnel Operations Liaison Staff	(916) 322-6500
Disability Procedures	Disability Liaison Unit	(916) 322-3619
General Payroll Procedures	Payroll Liaison Unit	(916) 323-3081

DS:JB:PMAB